APPENDIX

PUBLIC RESOLUTION 53, APPROVED JUNE 27, 1934 (C. 851, 48 STAT. 1267)

TO AMEND THE SETTLEMENT OF WAR CLAIMS ACT OF 1928, AS AMENDED

Whereas the joint resolution of the Congress of the United States, approved July 2, 1921, provides in part as follows:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, * * * shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government * * * shall have * * * made suitable provision for the satisfaction of all claims against said [Government] * * *, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents * * * since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German,

* * *, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise * * *."

Whereas the treaty between the United States and Germany of August 25, 1921, incorporated said provision of such joint resolution and also provided in article I thereof as follows:

"Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid Joint Resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such Treaty has not been ratified by the United States."; and

Whereas by the agreement of August 10, 1922, between Germany and the United States, a Mixed Claims Commission was established to adjudicate claims of American nationals against Germany arising out of the World War; and

Whereas under the terms of the debt-funding agreement between Germany and the United States dated June 23, 1930, Germany agreed to pay to the United States in satisfaction of Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, the sum of 40,800,000 reichmarks for the period September 1, 1929, to March 31, 1930, and the sum of 40,800,000

reichmarks per annum from April 1, 1930, to March 31, 1981; and

Whereas Germany is now in arrears in payments due under said debt-funding agreement between Germany and the United States, and has, accordingly, failed to make suitable provision for the satisfaction of the said claims against Germany: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That so long as Germany is in arrears in any payments of principal or interest, including interest at the rate of 5 per centum per annum on principal installments not paid when due, under the debt-funding agreement between Germany and the United States, dated June 23, 1930, with respect to Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, all payments, conveyances, transfers, or deliveries of money or property or the income, issues, profits, and/or avails thereof authorized or directed to be made under the Trading with the Enemy Act, as amended, or the Settlement of War Claims Act of 1928, as amended, whether or not a judgment or decree has been entered with respect thereto, shall be postponed and the money or property, or the income, issues, profits, and/or avails thereof reserved: *Provided, however,* That such of the funds as are from time to time available (without taking into consideration interest thereafter accruing) under the Settlement of War Claims Act of 1928, as

amended, for the payment of principal and interest upon awards of said Mixed Claims Commission shall be applied when available to the payment of principal and interest upon such awards in the same manner and to the same extent as though certain of the payments provided for in said Act had not been postponed under this resolution: *Provided further,* That the President may, in his sole discretion, remove the restriction as to any of the cases or classes of cases in relation to which payments, conveyances, transfers, or deliveries have been postponed under this resolution: *And provided further,* That the President is authorized to determine, for the purposes of this resolution, the period or periods in which Germany is in arrears in the payments hereinbefore described, and his determination thereof shall not be subject to judicial review.

Section 36 of the Emergency Farm Mortgage Act of 1933, as amended, is amended—

I. By striking the comma and the word "and" after the words "to reduce and refinance its outstanding indebtedness incurred in connection with any such project" in the second sentence thereof and inserting in place thereof the following: "; or, whether or not it has any such indebtedness, to purchase or otherwise acquire in connection with such project storage reservoirs or dams or sites therefor, or additional water rights, or canals, ditches, or rights-of-way for the conduct of water, or other works or appurtenances necessary for the delivery of water, provided such purchase or acquisition is not intended to bring additional lands into production. Such loans".

II. By adding at the beginning of (5) thereof the following: "in the case of a loan to reduce or refinance its outstanding indebtedness,".

III. By adding at the beginning of (C) thereof the following: "in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant,".

Approved, June 27, 1934.

TRADING WITH THE ENEMY ACT OF 1917 (C. 106, 40 STAT. 411), AS AMENDED BY THE SETTLEMENT OF WAR CLAIMS ACT OF 1928 (C. 167, 45 STAT. 254), AND BY OTHER ACTS (U. S. C. A., TITLE 50, APPENDIX)

* * * * *

SEC. 7. (c) If the President shall so require any money or other property including (but not thereby limiting the generality of the above) patents, copyrights, applications therefor, and rights to apply for the same, trade marks, choses in action, and rights and claims of every character and description owing or belonging to or held for, by, on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy not holding a license granted by the President hereunder, which the President after investigation shall determine is so owing or so belongs or is so held, shall be conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or the same may be seized by the Alien Property Custodian; and all property thus acquired shall be held, administered and disposed of as elsewhere provided in this Act.

* * * * *

The sole relief and remedy of any person having any claim to any money or other property heretofore or hereafter conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian, or required so to be, or seized by him shall be that provided by the terms of this Act, and in

the event of sale or other disposition of such property by the Alien Property Custodian, shall be limited to and enforced against the net proceeds received therefrom and held by the Alien Property Custodian or by the Treasurer of the United States.

* * * * * *

SEC. 9. (a) That any person not an enemy or ally of enemy claiming any interest, right, or title in any money or other property which may have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States, or to whom any debt may be owing from an enemy or ally of enemy whose property or any part thereof shall have been conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him hereunder and held by him or by the Treasurer of the United States may file with the said custodian a notice of his claim under oath and in such form and containing such particulars as the said custodian shall require; and the President, if application is made therefor by the claimant, may order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine said claimant is entitled: *Provided,* That no such order by the President shall bar any person from the prosecution of any suit at law or in equity against the claimant to establish any right, title, or interest which he may have in such money or other prop-

erty. If the President shall not so order within sixty days after the filing of such application or if the claimant shall have filed the notice as above required and shall have made no application to the President, said claimant may institute a suit in equity in the Supreme Court of the District of Columbia or in the district court of the United States for the district in which such claimant resides, or, if a corporation, where it has its principal place of business (to which suit the Alien Property Custodian or the Treasurer of the United States, as the case may be, shall be made a party defendant) to establish the interest, right, title, or debt so claimed, and if so established the court shall order the payment, conveyance, transfer, assignment, or delivery to said claimant of the money or other property so held by the Alien Property Custodian or by the Treasurer of the United States or the interest therein to which the court shall determine said claimant is entitled. If suit shall be so instituted, then such money or property shall be retained in the custody of the Alien Property Custodian, or in the Treasury of the United States, as provided in this Act, and until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied by payment or conveyance, transfer, assignment, or delivery by the defendant, or by the Alien Property Custodian, or Treasurer of the United States on order of the court, or until final judgment or decree shall be entered against the claimant or suit otherwise terminated.

(b) In respect of all money or other property conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian or seized by him

hereunder and held by him or by the Treasurer of the United States, if the President shall determine that the owner thereof at the time such money or other property was required to be so conveyed, transferred, assigned, delivered, or paid to the Alien Property Custodian, or at the time when it was voluntarily delivered to him or was seized by him, was—

* * * * *

(13) A partnership, association, or other unincorporated body of individuals having its principal place of business at such time within any country other than Austria, Hungary, or Austria-Hungary, or a corporation organized or incorporated within any country other than Austria, Hungary, or Austria-Hungary, and that the written consent provided for in subsection (m) has been filed;

* * * * *

Then the President, without any application being made therefor, may order the payment, conveyance, transfer, assignment, or delivery of such money or other property held by the Alien Property Custodian or by the Treasurer of the United States, or of the interest therein to which the President shall determine such person entitled, either to the said owner or to the person by whom said property was conveyed, transferred, assigned, delivered, or paid over to the Alien Property Custodian:

* * * * *

(c) Any person whose money or other property the President is authorized to return under the provisions of subsection (b) hereof may file notice of claim for the return of such money or other property, as provided in subsection (a) hereof, and thereafter may make application to the President

for allowance of such claim and/or may institute suit in equity to recover such money or other property, as provided in said subsection, and with like effect. The President or the court, as the case may be, may make the same determinations with respect to citizenship and other relevant facts that the President is authorized to make under the provisions of subsection (b) hereof.

* * * * *

(m) No money or other property shall be returned under paragraph (12), (13), (14), or (16) of subsection (b) or under subsection (g) or (n) or (to the extent therein provided) under subsection (p), unless the person entitled thereto files a written consent to a postponement of the return of an amount equal to 20 per centum of the aggregate value of such money or other property (at the time, as nearly as may be, of the return), as determined by the Alien Property Custodian, and the investment of such amount in accordance with the provisions of section 25.

* * * * *

SEC. 12. That all moneys (including checks and drafts payable on demand) paid to or received by the alien property custodian pursuant to this Act shall be deposited forthwith in the Treasury of the United States, and may be invested and reinvested by the Secretary of the Treasury in United States bonds or United States certificates of indebtedness, under such rules and regulations as the President shall prescribe for such deposit, investment, and sale of securities; and as soon after the end of the war as the President shall deem practicable, such securities shall be sold and the proceeds deposited in the Treasury.

All other property of an enemy, or ally of enemy, conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder shall be safely held and administered by him except as hereinafter provided; and the President is authorized to designate as a depositary, or depositaries, of property of an enemy or ally of enemy, any bank, or banks, or trust company, or trust companies, or other suitable depositary or depositaries, located and doing business in the United States. The alien property custodian may deposit with such designated depositary or depositaries, or with the Secretary of the Treasury, any stocks, bonds, notes, time drafts, time bills of exchange, or other securities, or property (except money or checks or drafts payable on demand which are required to be deposited with the Secretary of the Treasury) and such depositary or depositaries shall be authorized and empowered to collect any dividends or interest or income that may become due and any maturing obligations held for the account of such custodian. Any moneys collected on said account shall be paid and deposited forthwith by said depositary or by the alien property custodian into the Treasury of the United States as hereinbefore provided.

The President shall require all such designated depositaries to execute and file bonds sufficient in his judgment to protect property on deposit, such bonds to be conditioned as he may direct.

* * * * *

Any money or property required or authorized by the provisions of this Act to be paid, conveyed, transferred, assigned, or delivered to the alien property custodian shall, if said custodian shall so

direct by written order, be paid, conveyed, transferred, assigned, or delivered to the Treasurer of the United States with the same effect as if to the alien property custodian.

After the end of the war any claim of any enemy or of an ally of enemy to any money or other property received and held by the alien property custodian or deposited in the United States Treasury, shall be settled as Congress shall direct: *Provided, however,* That on order of the President as set forth in section nine hereof, or of the court, as set forth in sections nine and ten hereof, the alien property custodian or the Treasurer of the United States, as the case may be, shall forthwith convey, transfer, assign, and pay to the person to whom the President shall so order, or in whose behalf the court shall enter final judgment or decree, any property of an enemy or ally of enemy held by said custodian or by said Treasurer, so far as may be necessary to comply with said order of the President or said final judgment or decree of the court: *And provided further,* That the Treasurer of the United States, on order of the alien property custodian, shall, as provided in section ten hereof, repay to the licensee any funds deposited by said licensee.

PUBLIC RESOLUTION NO. 8 (PEACE RESOLUTION), APPROVED JULY 2, 1921 (c. 40, 42 STAT. 105)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

SEC. 2. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any Act or Acts of Congress; or otherwise.

SEC. 3. That the state of war declared to exist between the Imperial and Royal Austro-Hungarian Government and the United States of America by the joint resolution of Congress approved December 7, 1917, is hereby declared at an end.

SEC. 4. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 3, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Saint Germain-en-Laye or the treaty of Trianon, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any Act or Acts of Congress; or otherwise.

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever and all property of the Imperial and Royal Austro-Hungarian Government or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and

no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce, and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian na-

tionals, and shall have waived any and all pecuniary claims against the United States of America.

SEC. 6. Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution "declaring that certain Acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired", approved March 3, 1921, or the passport control provisions of an Act entitled "An act making appropriations for the diplomatic and consular service for the fiscal year ending June 30, 1922", approved March 2, 1921; nor to be effective to terminate the military status of any person now in desertion from the military or naval service of the United States, nor to terminate the liability to prosecution and punishment under the Selective Service law, approved May 18, 1917, of any person who failed to comply with the provisions of said Act or of Acts amendatory thereof.

Approved July 2, 1921.

TREATY OF BERLIN (42 STAT. 1939)

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A Proclamation

WHEREAS, by a Joint Resolution of Congress, approved March 3, 1921, it was declared that certain Acts of Congress, joint resolutions and proclamations should be construed as if the war between the United States of America and the Imperial German Government had ended, but certain acts of Congress and proclamations issued in pursuance thereof were excepted from the operation of the said resolution;

WHEREAS, by a Joint Resolution of Congress approved July 2, 1921, the state of war which was declared by the Joint Resolution of Congress approved April 6, 1917, to exist between the United States of America and the Imperial German Government was declared at an end;

WHEREAS, a treaty between the United States and Germany was signed at Berlin on August 25, 1921, to restore the friendly relations existing between the two nations prior to the outbreak of war, which treaty is word for word as follows:

THE UNITED STATES OF AMERICA AND GERMANY:

Considering that the United States, acting in conjunction with its co-belligerents, entered into an Armistice with Germany on November 11, 1918, in order that a Treaty of Peace might be concluded;

Considering that the Treaty of Versailles was signed on June 28, 1919, and came into force according to the terms of its Article 440, but has not been ratified by the United States;

Considering that the Congress of the United States passed a Joint Resolution, approved by the President July 2, 1921, which reads in part as follows:

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

"SEC. 2. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any Act or Acts of Congress; or otherwise.

* * * * *

"SEC. 5. All property of the Imperial German Government, or its successor or suc-

cessors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or

otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America."

Being desirous of restoring the friendly relations existing between the two Nations prior to the outbreak of war:

Have for that purpose appointed their plenipotentiaries:

THE PRESIDENT OF THE UNITED STATES OF AMERICA

Ellis Loring Dresel, Commissioner of the United States of America to Germany,

and

THE PRESIDENT OF THE GERMAN EMPIRE

Dr. Friedrich Rosen, Minister for Foreign Affairs,

Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations or advantages specified in the aforesaid Joint Resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such Treaty has not been ratified by the United States.

ARTICLE II

With a view to defining more particularly the obligations of Germany under the foregoing Article with respect to certain provisions in the Treaty of Versailles, it is understood and agreed between the High Contracting Parties:

(1) That the rights and advantages stipulated in that Treaty for the benefit of the United States, which it is intended the United States shall have and enjoy, are those defined in Section 1, of Part IV, and Parts V, VI, VIII, IX, X, XI, XII, XIV, and XV.

The United States in availing itself of the rights and advantages stipulated in the provisions of that Treaty mentioned in this paragraph will do so in a manner consistent with the rights accorded to Germany under such provisions.

(2) That the United States shall not be bound by the provisions of Part I of that Treaty, nor by any provisions of that Treaty including those mentioned in Paragraph (1) of this Article, which relate to the Covenant of the League of Nations, nor shall the United States be bound by any action

taken by the League of Nations, or by the Council or by the Assembly thereof, unless the United States shall expressly give its assent to such action.

(3) That the United States assumes no obligations under or with respect to the provisions of Part II, Part III, Sections 2 to 8 inclusive of Part IV, and Part XIII of that Treaty.

(4) That, while the United States is privileged to participate in the Reparation Commission, according to the terms of Part VIII of that Treaty, and in any other Commission established under the Treaty or under any agreement supplemental thereto, the United States is not bound to participate in any such commission unless it shall elect to do so.

(5) That the periods of time to which reference is made in Article 440 of the Treaty of Versailles shall run, with respect to any act or election on the part of the United States, from the date of the coming into force of the present Treaty.

ARTICLE III

The present Treaty shall be ratified in accordance with the constitutional forms of the High Contracting Parties and shall take effect immediately on the exchange of ratifications which shall take place as soon as possible at Berlin.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Treaty and have hereunto affixed their seals.

Done in duplicate in Berlin this twenty-fifth day of August 1921.

[SEAL] ELLIS LORING DRESEL

[SEAL] ROSEN

AND WHEREAS, the said treaty has been duly ratified on both parts, and the ratifications of the two countries were exchanged at Berlin on November 11, 1921;

NOW THEREFORE be it known that I, Warren G. Harding, President of the United States of America, hereby proclaim that the war between the United States and Germany terminated on July 2, 1921, and cause the said treaty to be made public to the end that every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this fourteenth day of November One Thousand Nine Hundred and Twenty-one and of the Independence of the United States of America the One Hundred and Forty-sixth.

[SEAL] WARREN G. HARDING

By the President:

CHARLES E. HUGHES

Secretary of State.

THE TREATY OF VERSAILLES

(Reprinted in Sen. Doc. No. 348, 67th Cong., 4th Sess., pp. 3329–3524)

PART X. SECTION IV. PROPERTY, RIGHTS, AND INTERESTS

Article 297

The question of private property, rights, and interests in an enemy country shall be settled according to the principles laid down in this Section and to the provisions of the Annex hereto.

* * * * *

(b) Subject to any contrary stipulations which may be provided for in the present Treaty, the Allied and Associated Powers reserve the right to retain and liquiate all property, rights and interests belonging at the date of the coming into force of the present Treaty to German nationals, or companies controlled by them, within their territories, colonies, possessions and protectorates, including territories ceded to them by the present Treaty.

The liquidation shall be carried out in accordance with the laws of the Allied or Associated State concerned, and the German owner shall not be able to dispose of such property, rights or interests nor to subject them to any charge without the consent of that State.

* * * * *

(d) As between the Allied and Associated Powers or their nationals on the one hand and Germany or her nationals on the other hand, all the excep-

tional war measures, or measures of transfer, or acts done or to be done in execution of such measures as defined in paragraphs 1 and 3 of the Annex hereto shall be considered as final and binding upon all persons except as regards the reservations laid down in the present Treaty.

(e) The nationals of Allied and Associated Powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights or interests, including any company or association in which they are interested, in German territory as it existed on August 1, 1914, by the application either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the Annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the Mixed Arbitral Tribunal provided for in Section VI or by an Arbitrator appointed by that Tribunal. This compensation shall be borne by Germany, and may be charged upon the property of German nationals within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the Annex hereto. The payment of this compensation may be made by the Allied or Associated State, and the amount will be debited to Germany.

* * * * *

(h) Except in cases where, by application of paragraph (f), restitutions in specie have been made, the net proceeds of sales of enemy property, rights or interests wherever situated carried out either by virtue of war legislation, or by application of this Article, and in general all cash assets of enemies, shall be dealt with as follows: * * *

(2) As regards Powers not adopting Section III and the Annex thereto, the proceeds of the property, rights and interest, and the cash assets, of the nationals of Allied or Associated Powers held by Germany shall be paid immediately to the person entitled thereto or to his Government; the proceeds of the property, rights and interests, and the cash assets, of German nationals received by an Allied or Associated Power shall be subject to disposal by such Power in accordance with its laws and regulations and may be applied in payment of the claims and debts defined by this Article or paragraph 4 of the Annex hereto. * * *

(i) Germany undertakes to compensate her nationals in respect of the sale or retention of their property, rights or interests in Allied or Associated States.

ANNEX

3.

In Article 297 and this Annex the expression "exceptional war measures" includes measures of all kinds, legislative, administrative, judicial or others, that have been taken or will be taken hereafter with regard to enemy property, and which have had or will have the effect of removing from the proprietors the power of disposition over their property, though without affecting the ownership, such as measures of supervision, of compulsory administration, and of sequestration; or measures which have had or will have as an object the seizure of, the use of, or the interference with enemy assets, for whatsoever motive, under whatsoever form or in whatsoever place. Acts in the execution of these measures include all detentions, instructions, or-

ders, or decrees of Government departments or courts applying these measures to enemy property, as well as acts performed by any person connected with the administration or the supervision of enemy property, such as the payment of debts, the collecting of credits, the payment of any costs, charges or expenses, or the collecting of fees.

Measures of transfer are those which have affected or will affect the ownership of enemy property by transferring it in whole or in part to a person other than the enemy owner, and without his consent, such as measures directing the sale, liquidation, or devolution of ownership in enemy property, or the cancelling of titles or securities.

4.

All property, rights and interests of German nationals within the territory of any Allied or Associated Power and the net proceeds of their sale, liquidation or other dealing therewith may be charged by that Allied or Associated Power in the first place with payment of amounts due in respect of claims by the nationals of that Allied or Associated Power with regard to their property, rights and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and with payment of claims growing out of acts committed by the German Government or by any German authorities since July 31, 1914, and before that Allied or Associated Power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by Mr. Gus-

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tave Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the Mixed Arbitral Tribunal provided for in Section VI. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such Allied or Associated Power with regard to their property, rights and interests in the territory of other enemy Powers, in so far as those claims are otherwise unsatisfied.

AGREEMENT OF AUGUST 10, 1922, BETWEEN THE UNITED STATES AND GERMANY FOR A MIXED CLAIMS COMMISSION (42 STAT. 2200)

AGREEMENT

The United States of America and Germany,

being desirous of determining the amount to be paid by Germany in satisfaction of Germany's financial obligations under the Treaty concluded by the two Governments on August 25, 1921, which secures to the United States and its nationals rights specified under a resolution of the Congress of the United States of July 2, 1921, including rights under the Treaty of Versailles, have resolved to submit the questions for decision to a mixed commission and have appointed as their plenipotentiaries for the purpose of concluding the following agreement:

THE PRESIDENT OF THE UNITED STATES OF AMERICA

Alanson B. Houghton, Ambassador Extraordinary and Plenipotentiary of the United States of America to Germany,

and

THE PRESIDENT OF THE GERMAN EMPIRE

Dr. Wirth, Chancellor of the German Empire,

Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I

The commission shall pass upon the following categories of claims which are more particularly defined in the Treaty of August 25, 1921, and in the Treaty of Versailles:

(1) Claims of American citizens, arising since July 31, 1914, in respect of damage to, or seizure of, their property, rights and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914;

(2) Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property, rights and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war;

(3) Debts owing to American citizens by the German Government or by German nationals.

ARTICLE II

The Government of the United States and the Government of Germany shall each appoint one commissioner. The two Governments shall by agreement select an umpire to decide upon any cases concerning which the commissioners may disagree, or upon any points of difference that may arise in the course of their proceedings. Should the umpire or any of the commissioners die or retire, or be unable for any reason to discharge his functions, the same procedure shall be followed for filling the vacancy as was followed in appointing him.

ARTICLE III

The commissioners shall meet at Washington within two months after the coming into force of the present agreement. They may fix the time and the place of their subsequent meetings according to convenience.

ARTICLE IV

The commissioners shall keep an accurate record of the questions and cases submitted and correct minutes of their proceedings. To this end each of the Governments may appoint a secretary, and these secretaries shall act together as joint secretaries of the commission and shall be subject to its direction.

The commission may also appoint and employ any other necessary officer or officers to assist in the performance of its duties. The compensation to be paid to any such officer or officers shall be subject to the approval of the two Governments.

ARTICLE V

Each Government shall pay its own expenses, including compensation of its own commissioner, agent or counsel. All other expenses which by their nature are a charge on both Governments, including the honorarium of the umpire, shall be borne by the two Governments in equal moieties.

ARTICLE VI

The two Governments may designate agents and counsel who may present oral or written arguments to the commission.

The commission shall receive and consider all written statements or documents which may be

presented to it by or on behalf of the respective Governments in support of or in answer to any claim.

The decisions of the commission and those of the umpire (in case there may be any) shall be accepted as final and binding upon the two Governments.

ARTICLE VII

The present agreement shall come into force on the date of its signature.

IN FAITH WHEREOF, the above named plenipotentiaries have signed the present agreement and have hereunto affixed their seals.

Done in duplicate at Berlin this tenth day of August 1922.

[SEAL] ALANSON B. HOUGHTON.

[SEAL] WIRTH.

DEBT FUNDING AGREEMENT OF 1930

(Reprinted in Annual Report of the Secretary of the Treasury for the year ended June 30, 1930, pp. 341-347)

Agreement made the 23d Day of June, 1930, at the City of Washington, District of Columbia, between the Government of the German Reich, hereinafter called Germany, party of the first part, and the Government of the United States of America, hereinafter called the United States, party of the second part.

Whereas Germany is obligated under the provisions of the armistice convention signed November 11, 1918, and of the treaty signed at Berlin, August 25, 1921, to pay to the United States the awards, and interest thereon, entered and to be entered in favor of the United States Government and its nationals by the Mixed Claims Commission, United States and Germany, established in pursuance of the agreement of August 10, 1922; and

Whereas the United States is also entitled to be reimbursed for the costs of its army of occupation; and

Whereas Germany having made and the United States having received payments in part satisfaction on account of these two obligations desire to make arrangements for the complete and final discharge of said obligations;

Now, therefore, in consideration of the premises and the mutual covenants herein contained, it is agreed as follows:

1. *Amounts to be paid.*—(a) Germany shall pay and the United States shall accept in full satisfaction of all of Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, the sum of 40,800,000 reichsmarks for the period of September 1, 1929, to March 31, 1930, and the sum of 40,800,000 reichsmarks per annum from April 1, 1930, to March 31, 1981. As evidence of this indebtedness, Germany shall issue to the United States at par, as of September 1, 1929, bonds of Germany, the first of which shall be in the principal amount of 40,800,000 reichsmarks, dated September 1, 1929, and maturing March 31, 1930, and each of the others of which shall be in the principal amount of 20,400,000 reichsmarks, dated September 1, 1929, and maturing serially on September 30, 1930, and on each succeeding March 31 and September 30 up to and including March 31, 1981. The obligations of Germany hereinabove set forth in this paragraph shall cease as soon as all of the payments contemplated by the settlement of war claims act of 1928 have been completed and the bonds not then matured evidencing such obligations shall be canceled and returned to Germany.

(b) Germany shall pay and the United States shall accept in full reimbursement of the amounts remaining due on account of the costs of the United States army of occupation, the amounts set forth on the several dates fixed in the following schedule:

March 31:	*Reichsmark*
1930	25,100,000
1931	12,750,000
1932	12,650,000
1933	12,650,000
1934	9,300,000
1935	9,300,000
1936	9,300,000
1937	9,300,000
1938	8,200,000
1939	8,200,000
1940	9,300,000
1941	9,300,000
1942	12,650,000
1943	12,650,000
1944	12,650,000
1945	12,650,000
1946	12,650,000
1947	12,650,000
1948	12,650,000
1949	12,650,000
1950	17,650,000
1951	17,650,000
1952	17,650,000
1953	17,650,000
1954	17,650,000
1955	17,650,000
1956	17,650,000
1957	17,650,000
1958	17,650,000
1959	17,650,000
1960	17,650,000
1961	17,650,000
1962	17,650,000
1963	17,650,000
1964	17,650,000
1965	17,650,000
1966	17,650,000

September 30:	*Reichsmark*
1930	12,750,000
1931	12,650,000
1932	12,650,000
1933	9,300,000
1934	9,300,000
1935	9,300,000
1936	9,300,000
1937	8,200,000
1938	8,200,000
1939	9,300,000
1940	9,300,000
1941	12,650,000
1942	12,650,000
1943	12,650,000
1944	12,650,000
1945	12,650,000
1946	12,650,000
1947	12,650,000
1948	12,650,000
1949	17,650,000
1950	17,650,000
1951	17,650,000
1952	17,650,000
1953	17,650,000
1954	17,650,000
1955	17,650,000
1956	17,650,000
1957	17,650,000
1958	17,650,000
1959	17,650,000
1960	17,650,000
1961	17,650,000
1962	17,650,000
1963	17,650,000
1964	17,650,000
1965	17,650,000

As evidence of this indebtedness, Germany shall issue to the United States at par, as of September 1, 1929, bonds of Germany, dated September 1, 1929, and maturing on March 31, 1930, and on each succeeding September 30 and March 31 in the

amounts and on the several dates fixed in the preceding schedule.

2. *Form of bonds.*—All bonds issued hereunder to the United States shall be payable to the Government of the United States of America and shall be signed for Germany by the Reichsschuldenverwaltung. The bonds issued for the amounts to be paid under paragraph No. 1 (a) of this agreement shall be issued in 103 pieces with maturities and in denominations corresponding to the payments therein set forth and shall be substantially in the form set forth in Exhibit A hereto annexed and shall bear no interest, unless payment thereof is postponed pursuant to paragraph No. 5 of this agreement. The bonds issued for the amounts to be paid under paragraph No. 1 (b) of this agreement shall be issued in 73 pieces with maturities and in denominations corresponding to the payments therein set forth and shall be substantially in the form set forth in Exhibit B hereto annexed and shall bear no interest unless payment thereof is postponed pursuant to paragraph No. 5 of this agreement.

3. *Method of payment.*—All bonds issued hereunder shall be payable both principal and interest, if any, at the Federal Reserve Bank of New York for credit in the general account of the Treasurer of the United States in funds immediately available on the date when payment is due in United States gold coin in an amount in dollars equivalent to the amount due in reichsmarks, at the average of the middle rates prevailing on the Berlin Bourse, during the half monthly period preceding the date of payment. Germany undertakes to have

the Reichsbank certify to the Federal Reserve Bank of New York on the date of payment the rate of exchange at which the transfer shall be made. Germany undertakes for the purposes of this agreement that the reichsmark shall have and shall retain its convertibility into gold or devisen as contemplated in section 31 of the present Reichsbank law and that for these purposes the reichsmark shall have and shall retain a mint parity of 1/2790 kilogram of fine gold as defined in the German coinage law of August 30, 1924.

4. *Security.*—The United States hereby agrees to accept the full faith and credit of Germany as the only security and guaranty for the fulfillment of Germany's obligations hereunder.

5. *Postponement of payment.*—Germany, at its option, upon not less than 90 days' advance notice in writing to the United States, may postpone any payment on account of principal falling due as hereinabove provided, to any subsequent September 30 or March 31 not more than two and one-half years distant from its due date, but only on condition that in case Germany shall at any time exercise this option as to any payment of principal, the two payments falling due in the next succeeding twelve months can not be postponed to any date more than two years distant from the date when the first payment therein becomes due unless and until the payments previously postponed shall actually have been made, and the two payments falling due in the second succeeding twelve months can not be postponed to any date more than one year distant from the date when the first payment therein becomes due unless and until the payments

previously postponed shall actually have been made, and further payments can not be postponed at all unless and until all payments of principal previously postponed shall actually have been made. All payments provided for under paragraph No. 1 (a) of this agreement so postponed shall bear interest at the rate of 5 per cent per annum, payable semiannually, and all payments provided for under paragraph No. 1 (b) of this agreement so postponed shall bear interest at the rate of 3⅝ per cent per annum, payable semi-annually.

6. *Payments before maturity.*—Upon not less than 90 days' advance notice in writing to the United States and the approval of the Secretary of the Treasury of the United States, Germany may, on March 31 or September 30 of any year, make advance payments on account of any bonds issued under this agreement and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by Germany at the time of the payment.

7. *Exemption from taxation.*—The principal and interest, if any, of all bonds issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Germany or any political or local taxing authority within Germany.

8. *Notices.*—Any notice from or by Germany shall be sufficient if delivered to the American Embassy at Berlin or to the Secretary of the Treasury at the Treasury of the United States in Washington. Any notice, request, or consent under the

hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States and shall be sufficient if delivered at the German Embassy at Washington or at the office of the German Ministry of Finance at Berlin. The United States in its discretion may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

9. *Compliance with legal requirements.*—Germany and the United States, each for itself, represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized, and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Germany and of the United States respectively and in conformity therewith.

10. *Counterparts.*—This agreement shall be executed in two counterparts, each of which shall be in the English and German languages, both texts having equal force and each counterpart having the force and effect of an original.

In witness whereof, Germany has caused this agreement to be executed on its behalf by its ambassador extraordinary and plenipotentiary at Washington thereunto duly authorized, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pur-

suant to the act of Congress approved June 5, 1930, all on the day and year first above written.

THE GERMAN REICH,
By F. VON PRITTWITZ UND GAFFRON,
Ambassador Extraordinary and Plenipotentiary.

THE UNITED STATES OF AMERICA,
By A. W. MELLON,
Secretary of the Treasury.

Approved.

HERBERT HOOVER,
President.

NOTES EXCHANGED BETWEEN GERMANY AND THE UNITED STATES SIMULTANEOUSLY WITH THE EXECUTION OF THE AGREEMENT FOR THE COMPLETE AND FINAL DISCHARGE OF THE OBLIGATIONS OF GERMANY TO THE UNITED STATES WITH RESPECT TO THE AWARDS MADE BY THE MIXED CLAIMS COMMISSION, UNITED STATES AND GERMANY, AND FOR THE COSTS OF THIS GOVERNMENT'S ARMY OF OCCUPATION

The German Government (the Government of the United States) has the honor to set forth its understanding of paragraph No. 4 of the agreement executed this day between the United States and Germany in the following sense:

(a) In respect of the acceptance by the United States of the full faith and credit of Germany as the only security and guaranty for the fulfillment of Germany's obligations under the agreement, Germany will be in the same position as the principal debtors of the United States under the debt funding agreements which exist between them and the United States.

(b) Nothing contained therein shall be construed as requiring the United States to release

any German property which it now holds other than as heretofore or hereafter authorized by the Congress of the United States.

The German Government (the Government of the United States) also desires to expressly recognize, so far as the agreement executed this day between the United States and Germany is concerned, the prior rights of the holders of the bonds of the German external loan as provided in the general bond securing the loan dated October 10, 1924.

Bonds No. 1 in the amounts of R. M. 40,800,000 and R. M. 25,100,000 to be delivered under paragraphs Nos. 1 (a) and 1 (b) respectively of the agreement executed this day between the United States and Germany have been paid in full and when the bonds to be delivered by Germany under this agreement are received by the United States, bonds No. 1 will be canceled and marked "paid" and returned to the German ambassador at Washington for delivery to the German Government.

The United States has received the sum of R. M. 6,800,000 and the sum of R. M. 4,250,000 on account of the bonds No. 2 to be delivered under paragraphs Nos. 1 (a) and 1 (b) respectively of the agreement executed this day between the United States and Germany. The receipt of these amounts will be evidenced by an indorsement by the United States on the bonds on account of which the sums were received.

The agreement executed this day between the United States and Germany is substituted for the direct arrangement providing for the realization by the United States of its 2¼ per cent share in German payments under the experts' plan of 1924.

SENATE REPORT NO. 1376, 73D CONGRESS, 2D SESSION

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 135) to amend the Settlement of War Claims Act of 1928, as amended, having considered the same, report favorably thereon with amendments, and recommend that the resolution, as amended, do pass.

Following the war, German nationals had claims against the United States such as claims arising from our seizure of property owned by German nationals. Similarly, American nationals had claims against the German Government arising out of the war. On July 2, 1921, Congress passed the Knox-Porter Peace Resolution (later incorporated in the Peace Treaty between the United States and Germany) which provided that none of the property of the German Government and German nationals which was seized during the war should be returned until Germany had made suitable provision for the satisfaction of the claims of the United States and its nationals against Germany arising out of the war.

Germany was not in a position to make a lump payment of the amount due to Americans. Accordingly, the United States consented to the German-American Debt Agreement (June 23, 1930) under which Germany agreed (among other things) to make payment in installments over a period of years of an aggregate amount equal to the estimated amount due to American nationals. The installments were not sufficiently large to per-

mit of early payments in substantial amounts. Accordingly, the American Congress appropriated $86,000,000 to be deposited in an account known as the "German Special Deposit Account", out of which payments were to be made in accordance with priorities established in the Settlement of War Claims Act of March 10, 1928. Of this $86,000,000 approximately $43,000,000 was paid to American nationals and $43,000,000 to German nationals.

The German Government took advantage of the provisions of the German-American debt agreement permitting postponement of its principal installment payments for a period not exceeding 2½ years. On March 31 of this year both the postponed installments and the installment due on that date became payable, but were not paid. The German Government did, however, make payment of interest as required by the agreement until last September, when, instead of making the interest payment to the United States, it notified the United States that it had established a credit in marks in a German bank corresponding to the interest due. On March 31 of this year Germany made payment in dollars in the United States of the current interest due; but as previously stated, failed to make payment of the principal installments due. Furthermore, the German Government has failed to make satisfactory assurances as to when those installments will be paid.

The result is that while the United States has fulfilled its undertakings, Germany has failed to make suitable provision for the satisfaction of the claims of the United States and its nationals called

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for in the Knox-Porter peace resolution. Under these circumstances it would appear to be in accord with the policy of the Congress as declared in that resolution to postpone any further liquidation of the claims of German nationals against the United States until the German Government fulfills its undertakings to provide for satisfaction of the claims of American nationals against it. The resolution reported is designed to carry out this policy.

The foregoing is stated in very general terms for the reason that it would be difficult to present in brief form a picture of the whole question of the war claims were an attempt made, at the same time, to set out the details and the necessary qualifications covering variations not essential to the point at issue.

A detailed statement of the situation, together with an explanation of amendments similar to those agreed to by your committee, and which are clarifying in character, is contained in the report (appended herewith) of the House Committee on Ways and Means upon a companion resolution, House Joint Resolution 365.

HOUSE REPORT NO. 1924, SEVENTY-THIRD CONGRESS, SECOND SESSION

The Committee on Ways and Means, to whom was referred the joint resolution (H. J. Res. 365) to amend the Settlement of War Claims Act of 1928, as amended, having had the same under consideration, report it back to the House with amendments and recommend that the joint resolution as amended do pass.

The amendments are as follows:

On page 3, line 11, strike out "any or".

On page 4, line 14, after "postponed" insert "under this resolution".

On page 4 strike out in lines 15 to 18, inclusive, the following: "the action of the President in determining the period or periods in which Germany is in arrears in the payments hereinbefore described shall not be subject to judicial review" and insert in lieu thereof "the President is authorized to determine, for the purposes of this resolution, the period or periods in which Germany is in arrears in the payments hereinbefore described and his determination thereof shall not be subject to judicial review".

The purpose of this resolution is to postpone (*a*) further payments to German nationals from the German special deposit account in the Treasury Department, established under section 4 of the Settlement of War Claims Act of 1928, on account of awards made by the War Claims Arbiter for ships, patents, and a radio station seized and used

by this Government during the war, and (*b*) further return of property belonging to German nationals held by the Alien Property Custodian, while Germany is in arrears on her payments on claims of American nationals under the debt agreement of June 23, 1930.

By the terms of the settlement of War Claims Act, the awards in favor of German nationals for ships, patents, and a radio station, and the awards entered by the Mixed Claims Commission against Germany in favor of American nationals were to be paid in accordance with the scheme of priorities established in section 4 (*c*) of the act.

Germany is now in arrears on the payments due under the debf agreement of June 23, 1930, and there is no assurance when those arrears will be discharged or further annual payments made. It is not felt that this Government should make further payments to German nationals from the limited funds that may be available in the German special-deposit account, or that it should return the small amount of property still held by the Alien Property Custodian while Germany's obligations under the debt agreement remain in their present state.

The resolution withholds all amounts which may become payable to German nationals under the Settlement of War Claims Act of 1928 and withholds the return of all property belonging to German nationals now held by the Alien Property Custodian under the Trading with the Enemy Act as amended. In view of the many complicated matters involved it is believed that a review of the problems before Congress at the time it passed the Settlement of War Claims Act and a review of

subsequent events may be useful to the Members of the House.

The Settlement of War Claims Act of 1928 was approved March 10, 1928. The act is complicated by reason of the innumerable complex situations covered by it and also by the complexities of the Trading with the Enemy Act, which was amended in several particulars by the Settlement of War Claims Act.

There were three major problems involving the United States and its nationals and the German Government and its nationals arising out of the war which the act attempted to settle. In order not to unduly complicate the matter, similar problems involving the United States and its nationals in their relation to the Austrian and Hungarian Governments and their nationals, also covered in the act, are not covered in this report. The three major problems referred to were as follows:

1. *Alien property.*—Property of German nationals in the United States was seized during the war by the Alien Property Custodian under the provisions of the Trading with the Enemy Act, as amended, and a large part, estimated at a value of over $200,000,000, was being held at the time of the enactment of the Settlement of War Claims Act with no authority in the Executive to return it. Under the Knox-Porter peace resolution of July 2, 1921, quoted in part in the first paragraph of the preamble of House Joint Resolution 365 and which was incorporated in full in the Treaty of Berlin, the United States unquestionably possessed the right to retain this property until Germany had made suitable provision for the satisfaction of the claims of American nationals against the German

Government. Congress in the Settlement of War Claims Act authorized the return of 80 percent of the aggregate value of the property of German nationals so held, and further authorized that the remaining 20 percent of the aggregate value of such property be retained and invested in 5 percent certificates which participate under certain conditions and in a certain order of priority in the funds in the German special deposit account in the Treasury created by the Settlement of War Claims Act.

2. *Mixed claims.*—The United States Government and many American nationals suffered losses during the war period by reason of acts for which the German Government was responsible, and their claims had to be satisfied. A commission, known as the "Mixed Claims Commission, United States and Germany", was created by the agreement of August 10, 1922, to hear and determine the claims and to enter awards for the losses for which Germany was responsible. Through arrangements made by the Secretary of State with the Allied Governments, there had been allocated to the United States under the provisions of the Finance Ministers' agreement of January 14, 1925, 2¼ percent of all receipts paid by Germany which were available for reparation payments, with a proviso that the sum so allocated should not exceed 45,000,000 gold marks in any one year. The United States was, therefore, receiving at the time of the enactment of the Settlement of War Claims Act approximately $11,000,000 per annum through the Reparation Commission for account of Germany's obligations.

By passing the Settlement of War Claims Act, Congress in effect recognized that arrangements

had been made which if fulfilled constituted a "suitable provision for the satisfaction of all claims" against Germany required by the joint resolution of July 2, 1921. By the debt agreement of June 23, 1930, an arrangement was made directly with Germany which superseded the previously mentioned arrangement and provided for the gradual liquidation of the Mixed Claims awards through the payment of an annual sum of 40,800,000 reichsmarks ($9,700,000) for a period of 52 years, in semiannual installments of 20,400,000 reichsmarks each. Congress approved this agreement. But if the American claimants had been forced to rely upon only the distributive share in the payments to be made under the two arrangements mentioned, more than 70 years would have been required for payment in full. It was necessary, therefore, that some method be provided by which the American claimants could obtain a more immediate payment.

3. *Awards of War Claims Arbiter in favor of German nationals.*—The United States Government, under the authority of a joint resolution of Congress, during the war seized and took title to a large number of ships owned by citizens of Germany and acquired for its own use during the war a large number of patents and a radio station. The United States recognized a duty to make compensation on these accounts to the German nationals for the value of their property so taken and used. The Settlement of War Claims Act created the office of War Claims Arbiter and authorized the Arbiter to hear the claims of the German nationals and to determine the fair compensation to be paid by the United States. Some provision had

to be made for the payment of the amounts determined to be due.

The Settlement of War Claims Act recognized the close relationship between the three problems and their solution as a whole. Under the circumstances, it was not possible to provide for the immediate payment of all American claimants, nor the immediate payment of all owners of the ships, patents, and the radio station, nor the immediate return of all the alien property. The act did, however, provide for the immediate payment of as large a percentage as possible of the claims of the American nationals and the German nationals, and for the return of as large a percentage as possible of the alien property, with a provision for the payment of the balance due over a period of years.

The act created in the Treasury a German special deposit account into which the Secretary of the Treasury was directed to deposit the following funds:

(*a*) All sums invested by the Alien Property Custodian under the provisions of section 25 (a) of the Trading with the Enemy Act, as amended, which represents 20 per cent of the aggregate value of the property of German nationals temporarily retained by the Alien Property Custodian. As the funds are invested as required by the Trading with the Enemy Act and deposited in the German special deposit account, the Secretary of the Treasury issues to the Alien Property Custodian a 5 per cent participating certificate, which is payable in accordance with the priorities hereinafter enumerated.

(*b*) All sums transferred by the Alien Property Custodian under the provisions of section 25 (b)

of the Trading with the Enemy Act, as amended, which was referred to as the "Unallocated interest fund" and which represented the interest accrued prior to March 4, 1923, on investments of funds of the Alien Property Custodian, plus interest on the investment of such interest after March 4, 1923. No authority of law exists for distributing any interest accruing on the investment of the funds prior to March 4, 1923, the date of the approval of the Winslow Act, which act authorized the return of not to exceed $10,000 per annum to any one person, of the income accruing after that date.

(*c*) Amounts appropriated by Congress for the payment of awards of the War Claims Arbiter in favor of German nationals for ships, patents, and a radio station.

(*d*) All moneys received from Germany on account of the awards of the Mixed Claims Commission in favor of American nationals.

(*e*) Earnings on investments of funds in the deposit account.

The act authorized and directed the Secretary of the Treasury to make payments out of the German special deposit account in the following order of priority:

(1) Payment of expenses of administration.

(2) Payment in full of awards in favor of American nationals attributable to death and personal injury, togeth r with interest thereon up to the date of payment.

(3) Payment in full of awards in favor of American nationals, the amount of which, including interest to January 1, 1928, does not exceed

$100,000, together with interest on such amount from January 1, 1928, to the date of payment.

(4) Payment of $100,000 on account of awards in favor of an American national, the amount of which, including accrued interest to January 1, 1928, is in excess of $100,000, provided no person shall be paid an amount in excess of $100,000 under this priority, irrespective of the number of awards made in his behalf.

(5) Additional payments on awards in excess of $100,000, including interest to January 1, 1928, entered in favor of American nationals, as and when funds are available for this purpose as determined by the Secretary of the Treasury, until the aggregate payments authorized by priorities 2 to 5 equal 80 percent of the aggregate amount of the awards entered, including interest to January 1, 1928.

It is pointed out that all the payments authorized by paragraphs 2, 3, and 4 above have been practically completed. There are a few cases remaining unpaid because the claimants cannot be located and for other reasons, but funds have been reserved for their complete payment. As to paragraph 5, payments have been made which aggregate about 74½ percent of the amount authorized to be paid under these priorities. There remains, therefore, approximately 5½ percent (about $2,000,000) to complete this priority to American nationals.

(6) Payment to German nationals of 50 percent of the awards entered by the War Claims Arbiter for ships, patents, and a radio station, including interest to December 31, 1928. The Secretary of

the Treasury was authorized to pay this amount without regard to any of the other priorities.

(7) Payment of accrued interest upon the 5-percent participating certificates evidencing the amounts invested by the Alien Property Custodian.

(8) Payment of accrued interest since January 1, 1928, on awards of the Mixed Claims Commission in excess of $100,000 in amount, including accrued interest to January 1, 1928, in favor of American nationals and accrued interest since December 31, 1928, on awards of the War Claims Arbiter in favor of German nationals for ships, patents, and a radio station, including accrued interest to December 31, 1928.

(9) Pro-rata payments, to the extent funds are available, (*a*) to the Alien Property Custodian on the 5 percent participating certificates held by him as evidence of the investment of funds representing 20 percent of German property temporarily retained; (*b*) to German nationals on account of the balance due on their awards entered by the War Claims Arbiter for ships, patents, and a radio station, including interest to December 31, 1928; and (*c*) to American nationals on account of the balance due on awards in excess of $100,000 in amount, including interest to January 1, 1928, entered by the Mixed Claims Commission.

(10) Payment to German nationals on account of the "Unallocated interest fund." No interest accrues on this sum.

(11) Payment to the United States Government on account of awards entered in its behalf by the Mixed Claims Commission, together with interest on such awards.

The Trading with the Enemy Act, as amended by the Settlement of War Claims Act, authorized the return of 80 percent of the aggregate value of the property of German nationals, as determined by the Alien Property Custodian; authorized the temporary retention of the remaining 20 percent; and authorized that funds equal to the value of such property so retained be paid to the German nationals from the German special deposit account in the order of priority established by the Settlement of War Claims Act.

The following is a statement showing the amounts of the various classes of claims, the payments made on account of each class, and the balance due as of March 31, 1934:

I. Principal of awards of Mixed Claims Commission	$128,500,000	
Interest to Jan. 1, 1928	40,500,000	
Amount due Jan. 1, 1928	169,000,000	
Payments made on account	134,000,000	
	35,000,000	
Interest accrued at 5 percent per annum, from Jan. 1, 1928, to Mar. 31, 1934	19,000,000	
Balance due as of Mar. 31, 1934		$54,000,000
II. Principal of awards of War Claims Arbiter	63,200,000	
Interest to Dec. 31, 1928	23,500,000	
Amount due Dec. 31, 1928	86,700,000	
Payments made on account	43,400,000	
	43,300,000	
Interest accrued at 5 percent per annum, from Dec. 31, 1928, to Mar. 31, 1934	16,100,000	
Balance due as of Mar. 31, 1934		$59,400,000

III. Twenty percent of German property temporarily retained:		
Investment by Alien Property Custodian	$17,550,000	
Investment yet to be made by Alien Property Custodian ($15,500,000).		
Interest accrued on investment to Mar. 31, 1934	3,600,000	
Balance due as of Mar. 31, 1934		$21,150,000
IV. Unallocated interest fund		21,750,000
Amount due private claimants from German special deposit account as of Mar. 31, 1934		156,300,000
V. Principal of awards entered in behalf of the United States Government	$42,035,000	
Interest to Mar. 31, 1934	38,300,000	
		80,335,000
Total including accrued interest		236,635,000

In addition it is understood that the Alien Property Custodian has property in his hands valued at approximately $10,000,000, of which 80 or 90 percent is estimated to belong to German nationals. Under the law as it now stands, 80 percent of this property would probably be returned this calendar year, the remaining 20 percent to be retained for deposit in the German special-deposit account.

The following shows the funds made, or to be made, available to the German special-deposit account and the payments that have been made out of such account:

Receipts:		
From investments of Alien Property Custodian under Trading with the Enemy Act, as amended:		
Unallocated interest fund	$21,750,000	
20 percent German property retained	17,550,000	
Total		$39,300,000

Receipts—Continued		
From Germany:		
2¼ percent of receipts as authorized by Finance Ministers' agreement of Jan. 14, 1925	$32,183,000	
Under debt agreement of June 23, 1930	20,198,000	
Total		$52,381,000
Appropriation made by Congress for ships, patents, and radio station (awards for War Claims Arbiter)		86,852,000
Earnings and profits on investments		4,181,000
Total receipts		182,714,000
Payments:		
On account of awards of the Mixed Claims Commission	$134,000,000	
On account of awards of the War Claims Arbiter	43,368,000	
Miscellaneous payments (expenses, etc.)	817,000	
Total		$178,185,000
Balance in German special-deposit account		4,529,000
Funds in hands of Alien Property Custodian available for deposit in German special-deposit account		15,500,000
Total available to German special-deposit account		20,029,000

It will be noted that the funds now available to the German special deposit account amount to about $20,000,000, which are being reserved to make payment on account of any awards which the Mixed Claims Commission might enter on the claims now pending before it. In case awards are entered on account of the claims now pending before the Commission, payments will be made in the same manner and to the same extent as payments have already been made on account of awards entered and certified for payment. On the other hand, if the claims pending before the Commission

are disallowed, the $20,000,000 held in reserve will be released and distributed to American and German Nationals in accordance with priorities specified in section 4 (c) of the Settlement of War Claims Act, hereinabove enumerated. In such case the funds made available, together with 80 percent of the value of the property in the hands of the Alien Property Custodian estimated at $6,500,000, or a total of $26,500,000, would be distributed approximately as follows:

To American nationals:		
Balance of 80 percent of awards of Mixed Claims Commission under priority no. 5 (5½ percent remaining unpaid)	$2,000,000	
On account of interest accrued since Jan. 1, 1928 (approximately 40 percent of such interest)	7,800,000	
Total to American nationals		$9,800,000
To German nationals:		
Interest on 5-percent participating certificates (20 percent of German property temporarily retained)	$3,600,000	
On account of interest accrued since Dec. 31, 1928, on awards of War Claims Arbiter (approximately 40 percent of such interest)	6,600,000	
Return of property in hands of Alien Property Custodian	6,500,000	
Total to German nationals		16,700,000
Total available for distribution		26,500,000

Under the debt agreement of June 23, 1930, the German Government is obligated to pay semiannually to the United States for a period of 52 years on account of the awards of the Mixed Claims Commission, the sum of 20,400,000 reichsmarks ($4,850,000 at the time the agreement was concluded, or about $8,150,000 at the present mint parity of the mark). Under the debt agreement

that Government has the option of postponing payment of the installments due for a period of 2½ years, but the amounts so postponed bear interest at the rate of 5 percent per annum, payable semiannually.

The Hoover moratorium was declared in June, 1931, and covered payments falling due during the year July 1, 1931, to June 30, 1932. It excepted private obligations, and the joint resolution of December 23, 1931, authorizing that moratorium, treated the payments due on account of mixed claims as falling under the exception. Germany, however, took advantage of the option in the agreement to postpone the payments due, and has exercised that option ever since up to and including the payment due September 30, 1933. It paid the interest semiannually up to March 31, 1933, but the semiannual payment of interest due on September 30, 1933, was paid in reichsmarks into an account in Germany and was not transferred to the United States, as required by the terms of the debt agreement. It is understood that the United States advised the German Government that it could not accept the payment in reichsmarks as a compliance with the debt agreement.

On March 31, 1934, all of the installments aggregating 102,000,000 reichsmarks, previously postponed since September 30, 1931, together with the semiannual installment of 20,400,000 reichsmarks and semiannual interest of 2,550,000 reichsmarks, or a total of 122,400,000 reichsmarks (about $50,000,000), were due and payable. Germany advised that it could not meet the principal payments falling due, but would and did pay the interest due of 2,550,000 reichsmarks (about $1,000,000).

The Treasury holds German bonds for account of mixed claims in the face amount of 2,040,000,000 reichsmarks ($500,000,000 at time of acquisition but $800,000,000 at present rates).

The debt agreement of June 23, 1930, provides that the obligation of Germany to make the payments specified therein shall cease as soon as all of the payments contemplated by the Settlement of War Claims Act of 1928 have been completed and the bonds of Germany held by the United States not then matured shall be canceled and returned to Germany.

The amendment to the joint resolution striking out "any or" and the amendment inserting "under this resolution" are clerical clarifying amendments. The amendment to the last proviso specifically empowers the President to determine the period or periods in which Germany is in arrears on her payments and retains the substance of the provision stricken out so that judicial review of the President's determination is denied.

107718—36——8

DECREE ISSUED BY ACTING REICHSWIRTSCHAFTS-MINISTER HJALMAR SCHACHT, PRESIDENT OF THE REICHSBANK'S DIRECTORIUM, ON FEBRUARY 4, 1935, FOR CARRYING OUT THE ACT OF FEBRUARY 4, 1935, REGARDING THE REGULATION OF FOREIGN EXCHANGE (REICHSGESETZBLATT, 1935, PART I, PAGE 114 ET SEQ.) (TRANSLATED BY ERNST-THEODOR ARNDT, DEPARTMENT OF JUSTICE.)

ARTICLE I

§ 1

(1) Natural persons who have their domicile or their regular place of residence in Germany, further

1. Stock corporations, colonial corporations, mining associations, * * *;

2. Societies, institutions, and other civil law corporations which are *sui juris* or not *sui juris* * * *;

3. Partnerships, commandite companies [i. e., companies in which some of the partners are liable for the company's obligation, some with and some without limitation], and similar companies * * *.

4. Corporations and institutions of the public law providing the principal place of business or the place of management is located in Germany, who acquired property of the character, specified in paragraph 2, in another way than by written permission of the foreign exchange agency or who acquire the property under such permit but whose permit has subsequently become ineffective, shall

within three days from the acquisition or other origination of the obligation offer, and upon demand sell and transfer such property to the locally competent Reichsbank office (either direct or through the agency of a foreign exchange bank) * * *.

(2) The obligation under paragraph (1) relates to the following properties:

1. Means of foreign exchange [coin, currency, commercial paper, etc.] and credits [claims] in foreign currency.

2. * * *.

§ 3

(1) If under §§ 1 and 2 properties which have not yet matured [obligations] are offered to the Reichsbank, the Reichsbank may for the time being waive the demand of immediate transfer and may request the obligated party to cause the properties to be payable at the first possible date. In that event the obligated party shall upon maturity offer and upon demand sell and transfer the proceeds received in foreign currency to the Reichsbank. Should the proceeds be received in domestic [German] currency, it has to be registered with the Reichsbank within three days * * *.

(2) If the Reichsbank or foreign exchange bank should be unwilling to purchase the properties offered under §§ 1 and 2, it may sell the properties or cause them to be sold in a foreign country for account of the obligated party. The proceeds of the sale shall take the place of the original properties. If the Reichsbank should not avail itself of this right, the obligated party shall be entitled, within the limits of the law, to look for some other

possibility of disposal of the properties. In the event that the obligated party does not dispose of them, it shall offer for collection and upon demand transfer the properties to the locally competent Reichsbank agency (either direct or through the agency of a foreign exchange bank) in sufficient time that in the ordinary course of business the proper collection can be assured. The claim of the obligated party to the payment of equivalent reichsmarks shall be governed, in cases dealt with in this paragraph, by the general business statutes of the Reichsbank. * * *

From the obligations of § 1, paragraph (1), the following are exempted:

1. Persons who, subject to reciprocity, under general international law principles are entitled to exemption for personal taxes.

2. Consular agents who are civil service by provision, and officials placed under authority provided they are citizens of the country which they represent, do not possess German nationality and, outside their office or service in Germany, do not carry on a trade or other profit-yielding activity.

(1) The Reichsbank may direct that certain classes of the properties specified in § 1, paragraph 2, need not be offered. It can delegate to other agencies the decisions reserved to it by § 36 of the Foreign Exchange Decree.

(2) The Reichsbank may require the obligated party to furnish to it regular specifications of the use of the properties of the character specified in § 1, paragraph 2, acquired within a certain period.

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